

JUDY ATINS BRADSHAW BUNDY THOMPSON RINUS BAAK BUILDING INDUSTRY ASSOC FREE
 ARSKY SD APARTMENT ASSOC EVAN BECKER SD HOUSING COMMISSION EXECUTIVE DIRECTOR JOHN BELANICH
 UDENT JIM BLIESNER SD CITY COUNTY REINVESTMENT TASK FORCE ROD BRADLEY BHA INC INEZ BRADLEY INEZ
 TES DEBORAH BRADY-DAVIS REINVESTMENT TASK FORCE MARY BROOKS HOUSING TRUST FUND PROJECT PHILLIP
 VELOPMENT CO WILLIAM BULLEY LANCE BURRIS BUILDING INDUSTRY ASSOC BEATRICE BYRNES LEAGUE OF WOMEN
 JSU DEPT OF PUBLIC ADMIN JO ANN CARPENTER CITY OF SANTEE PAT CASTRO-ROSALES CITY OF ESCONDIDO ROGEE
 GINA CESENA CONVENTION & VISITORS BUREAU KURT A CHILCOTT CITY OF SD ECONOMIC DEVELOPMENT DIV
 ROLL CLAMPITT GENERAL CONTRACTOR HAROLD CLAYTON LA JOLLA COMMUNITY SERVICE INC TOBY COHANTZ AMERICAN BUILDING
 STEMS RICHARD CORE THE TRIBUNE DAN CORK MULTITECH PROPERTIES INC JAMES COSTELLO MATTHEW CRONIN NEWS & VIEWS MICHEAL
 AMELO HOME CAPITAL CORP NORMA DAMASHEK SDSU GRADUATE SCHOOL CITY PLANNING SERGE M DeSILVA D F ANTHONY GROUP JAMES
 DAVIS JAMES M DAVIS INC & ASSOC CHRIS DeCERBO CITY OF CARLSBAD SHOSHANA DENNIS LEGAL AID SOCIETY OF SD JAMES DICENZO ST
 NCENT DE PAUL JANE DILLON DEE DINNIE-HALL JULIE DILLON BUILDING INDUSTRY ASSOC STEPHEN DIXON WEST RIM DEVELOPMENT JIM
 DRENKOTT STEVE DOYLE PARDEE DEVELOPMENT CO HELEN DUNLAP CALIF HOUSING PARTNERSHIP CORP MAYA DUNNE CITY OF IRVINE
 STER RAYMOND DUVAL PEACE & JUSTICE COMMISSION MICHAEL ECKMANN ALFRED EDWARDS JEANNE ERTLE PEACE & JUSTICE COMMISSION
 ENISE FAIRCHILD LOCAL INITIATIVES SUPPORT CORP MICHELLE FERGOA COUNTY OF SD PLANNING & LAND USE MARGUERITE FERRANTE
 GSMOL BOB FILNER SD HOUSING COMMISSIONER DOROTHY FILUSCH CITY OF ENCINITAS CARLOS FLORES CITY OF ENCINITAS KATHY
 ORES-ORTIZ SAVINGS ASSOC HOME LOAN COUNSELING TOM FOX CDC NORMAL HEIGHTS TIM GALLOWAY UNITED WAY DEPARTMENT OF LABOR
 TICIPATION WALLY GEER URBAN TECHNOLOGY MARGERY GIBBS OCEANSIDE HOUSING AUTHORITY BEN GOLVIN BRIDGE RICHARD V
 ODMAN OCEANSIDE HOUSING AUTHORITY ELEANOR GREENE CITIZEN JEFFREY HALE SD COMMUNITY FOUNDATION MOSES HALL PETER
 ALL GREAT AMERICAN DEVELOPMENT CO ABDUR-RAHIM HAMEED BLACK CONTRACTORS ASSOC OF SD INC PAMELA HAMILTON CENTRE CITY
 DEVELOPMENT CORP MARTHA HANCOCK GSMOL GARY HANES HUD ALLBERT HARKINS HOUSING AUTHORITY OF THE COUNTY OF SAN
 BERNARDINO SUSAN HASKIN LEAGUE OF WOMEN VOTERS CINDY HAVRE SDSU STUDENT MIKE HELMER BUILDING INDUSTRY ASSOC REVEREND
 GEORGE HEMINGWAY EPISCOPAL DIOCESE OF SD EVELYN HERRMANN HUMAN RELATIONS COMMISSION LORENZO HIGLEY GOLDEN HILL
 VITALIZATION PROJECT LEON R HOGG HALLMARK MGT ASSOC INC R HOGLE IRENE L HOFF GLENCOUR PROPERTIES SARA HUNT HOUSING
 OW! CARLY ISEMAN SD BOARD OF REALTORS SARAH ISSUR PROJECT ADMINISTRATOR-CITY OF SD ASHOK ISRANI PACIFICA ENTERPRISES JAE
 COOBS CITY HEIGHTS DEVELOPMENT CORP HARVEY JESSIE SHARON JOHNSON SD RESIDENT RELATIONS FOUNDATION CAROLYN JOHNSON
 GREAT AMERICAN BANK FRANK JORDAN
 AACP DESIREE KAY UCSD STUDENT
 DEBORAH KELSO TOM KESTER BANK OF
 AMERICA CHARNASSI KIBLER LIFELINE
 COMMUNITY SERVICES HELMUT KIFFMANN
 MULTITECH PROPERTIES INC LILLIAN
 NIGHT NAVY PUBLIC WORKS DEBORAH
 UMASI JEFFREY LABORADOR PAT LAND
 AIR HOUSING COUNCIL FRANK LANDER-
 LILLE REGIONAL TASK FORCE ON THE
 HOMELESS DEBBIE LARA-TONEY COUNTY
 OF SD HEALTH SERVICES JUAN MARCOS
 LAWRENCE ESPERANZA VOLUNTEERS
 LIZANNE LAWRENCE STELLA LEHR SD AL-
 LANCE FOR THE MENTALLY ILL JOHN LEM

REPORT TO THE CITY

SAN DIEGO'S HOUSING CRISIS: AFFORDABLE HOUSING

FOR THE 1990'S


AMERICAN BUILDING SYSTEMS GERALD LEN-
 HARD EMPAC JUDY LENTHALL SD CITY PLAN-
 NING DEPT BEVERLY LEVINE GREAT
 AMERICAN BANK SSB DANIEL LIEWER DAN
 LOPEZ CA COMMUNITY REINVESTMENT CORP
 ROBIN LOW COUNTY OF SD ART LUJAN
 AFL/CIO BLDG TRADES COUNCIL E VAUGHAN
 LYONS SD ECUMENICAL CONFERENCE HILDA
 MacFARLAND ANNA MAJOR SDC CARLOS
 MALAMUD SUNBELT REAL ESTATE WILL
 MALONE MEYERS GROUP PAUL MALONE CITY
 OF SAN MARCOS HARVEY MANDEL ST VIN-
 CENT DE PAUL AARON MANN INCOME
 PROPERTY GROUP MIKE MANTLE BRIAN MAR-
 SHAK LARRY MARSHALL GENERAL COUNCIL-

DHC LINDA MARTIN SAVE CALIFORNIA EDY MASON GSMOL DOUGLAS McARTHUR JOHN McGRATH HOUSING AUTHORITY OF THE COUNTY OF
 SAN BERNARDINO SCOTT McHENRY GREAT AMERICAN BANK LAURIE McKinLEY McKinLEY GROUP ROBERT McNEELY UNION BANK DENNIS
 REEHAN FOOTE DEVELOPMENT COMPANY MIKE MELE BUILDING INDUSTRY ASSOC KLAUS MENDENHAL HOUSING OPPORTUNITIES INC BONITA
 MILLER YMCA JUVENILE CRISIS PROGRAM ERIC MONEY-PENNEY FAIR HOUSING OFFICER JAMES MOORE TRACY MORGAN SD BOARD OF
 REALTORS BETSY MORRIS SD HOUSING COMMISSION BOB MORRIS BUILDING INDUSTRY ASSOC KAY MORRIS UNITED STATES ESCROW SANDRA
 ADAL WEST RIM DEVELOPMENT ROBERT NAPOLI LUSARDI COMPANIES RICHARD NAVARO C W CLARK/RANCON JIM NEFF DOTTIE NELSON AIREA
 CANDIDATE REMAX SEACOAST MARY NENNO NATIONAL ASSOC OF HOUSING & REDEVELOPMENT OFFICERS DON NEU CITY OF CARLSBAD EARL
 NICKLES PAT O'BEIRNE MAUREEN O'CONNOR SD HOUSING COMMISSION VICE CHAIRMAN CAMILLE OHLSON THE KEITH COMPANIES DON
 OLMSSTED GOLDEN STATE MOBILEHOME OWNERS LEAGUE DIANE OSTERHOFF CHARGE SAN DIEGO (NORTH COUNTY) MARY OTERO SAHLCS C.S
 OVERSTREET SERRA MESA COMMUNITY COMMITTEE JEFF PAINTER BUILDING INDUSTRY ASSOC TERRY PALMER VIRGINIA PARKER UCSD STUDENT
 GEORGE PENN TRABAJADORES DE LA RAZA INC ROBERT PERRY PERRY & PERRY ARCHITECTS MILES POMEROY SD CITY PLANNING DEPT DONA
 PORRECA THE FIELDSTONE CO J STEWART POTTER AFL/CIO BLDG TRADES COUNCIL WEST PRATT SD HOUSING COMMISSION CHAIRMAN
 STEVE RAND SD COUNTY HOUSING AUTHORITY JOHN REARDON INDIVIDUAL DOUGLAS REGIN ST FRANCIS CHURCH BERNIE RHINERSON HOME
 CAPITAL CORP ALAN RIDLEY JIM RIDLEY SD NEIGHBORHOOD HOUSING SERVICES NATASHA RILEY CITY OF ESCONDIDO JEANETTE ROACH
 BUILDING INDUSTRY ASSOC RON ROBERTS SD HOUSING COMMISSIONER ROBERTSON GOLDEN AGE GARDEN APTS RHONDA ROBINSON
 GOLDEN AGE GARDEN APTS CATHERINE RODMAN LEGAL AID SOCIETY OF SD ROBERT ROSS MESA MOBILE VILLAGE PARK JOHN ROWE SD YOUTH
 COMMUNITY SERVICES AMY ROWLAND NORTH COUNTY HOUSING FOUNDATION PATRICIA RUTLEDGE CITY OF LA MESA D.J. RYAN SD
 APARTMENT ASSOC JEFF SAEED CONSOLIDATED GROUP INC KAREN SCARBOROUGH SCARBOROUGH LANDSCAPE ARCHITECTURE ANDREW
 SCHIFFRIN SANTA CRUZ CITY PLANNING COMMISSION FREDRICK SCHNAUBELT SCHNAUBELT & SONS REALTORS JIM SCHNEIDER BARRY
 SCHULTZ CITY HEIGHTS COMMUNITY DEVELOPMENT CORP MIKE SEETO RASHAD SHAREEF LEGAL AID SOCIETY OF SD MICHEAL SHORT ST
 VINCENT DE PAUL VINCENT SICILIANO JOSEPHINE SILVA SD COUNTY HOUSING AUTHORITY ANDREA SKOREPA TRABAJADORES DE LA RAZA INC
 THOMAS SLATTERY TICOR TITLE INSURANCE CO RICK SMITH THE KEITH COMPANIES VICTOR SNIDER HOUSING AUTHORITY OF THE COUNTY OF
 SAN BERNARDINO DON
 SONNEMAN MAAC
 PROJECT H.W. "BUD"
 SPENCER HOUSING
 AUTHORITY OF THE COUN-
 TY OF SAN BERNARDINO
 MARK SPITZER TONI

A Report From The Affordable Housing Conference
September 29, 1989

STANTON BUILDING IN-
 DUSTRY ASSOC ROBERT
 STARR CDBG ADMIN-CITY OF
 SAN DIEGO MARV STEADMAN
 THE LUSK CO RICHARD
 STEINER LEGAL AID SOCIETY
 OF SD DIANE STRUM KAISER

PERMANENTE DAVID SWARENS SAVE OUR HERITAGE ORGANIZATION SHUFORD SWIFT SAN DIEGO HOUSING COMMISSION GARRY M TARQUINIO
 THE WILLIAM LYON COMPANY LYNDA TAUZIER FIRST NATIONAL BANK DIANNE TAYLOR SALVATION ARMY MITCH THOMPSON STEVEN TORCHIA
 FAIR HOUSING PROGRAM COUNTY OF RIVERSIDE RICK TORRES TCS REAL ESTATE SERVICES INC JIM VARNADORE TAXPAYER MARTHA VICKERS
 SDSU JIM WAGLE BANK OF AMERICA PHIL WALLING BUILDING INDUSTRY ASSOCIATION JACK WALSH WALSH & ASSOCIATES NEWBOLD WARDEN
 FOR CONGRESSMAN LOWERY SHEILA WASHINGTON WASHINGTON ENTERPRISES RITA WATERS CAL-AMERICAN COMMUNITIES INC EWAN
 WATERSLIN DAL WATKINS SAN DIEGO CONVENTION & VISITORS BUREAU DANIEL EMERSON WEAVER CDC OF NATIONAL CITY R WEBSTER
 MORRISON HOMES NANCY WEST SAN DIEGO COUNTY HOUSING AUTHORITY ATHRYN WILLETS KOW CONSULTING/HISTORICAL SITE BOARD
 NARY WILLIAMS SAN DIEGO HOUSING COMMISSIONER FRENCEY WILSON WESTERN STATE CARL WINSJANSEN SAN DIEGO HOUSING COMMISS-
 SIONER JOHN WRONA MORENA MOBILE VILLAGE ANNE WYATT SANDRA YAMASHIRO MENTAL HEALTH SERVICES PHIL ZAMORA SD NATIONAL BANK



Digitized by the Internet Archive
in 2025 with funding from
State of California and California State Library

<https://archive.org/details/C124909906>

THE HOUSING CRISIS: AFFORDABLE HOUSING FOR THE 1990'S
CONFERENCE PLANNING COMMITTEE

Building Industry Association of San Diego

Charles G. Community Development Corporation

City of San Diego Planning Department

REPORT TO THE CITY

Committee on Housing and Community Development

SAN DIEGO'S HOUSING CRISIS:

AFFORDABLE HOUSING FOR THE 1990'S

Prepared by:

The Urban Apartment Association

San Diego Board of Trustees

The Housing Planning Commission

San Diego Housing Trust Fund Chairman

A Report from the Affordable Housing Conference

September 29, 1989

REPORT TO THE CITY

SAN DIEGO'S HOUSING CRISIS

AFFORDABLE HOUSING FOR THE 1990s

A Report from the Affordable Housing Conference

September 29, 1990

The Executive Summary of this report is available in pamphlet format. For free copies of the Summary, or of the full report, contact any of the Planning Committee organizations, or Ken Grimes at the San Diego Housing Commission, 231-9400. A videotape of the conference panel discussion, *Perspectives on the Housing Crisis*, moderated by Gloria Penner of KPBS, is also available from the Housing Commission at the same number.

TABLE OF CONTENTS

THE HOUSING CRISIS: AFFORDABLE HOUSING FOR THE 1990'S

CONFERENCE PLANNING COMMITTEE

Building Industry Association of San Diego

City Heights Community Development Corporation

City of San Diego Planning Department

City-County Reinvestment Task Force

Clairemont Community Planning Group

Fair Housing Council of San Diego

Golden State Mobile Home Owners League

Interested Citizens

San Diego Apartment Association

San Diego Board of Realtors

San Diego Housing Commission

San Diego Housing Trust Fund Coalition

INSTITUTE OF GOVERNMENTAL
STUDIES LIBRARY

FEB 4 2 1992

UNIVERSITY OF CALIFORNIA

The Conference Planning Committee would like to thank the following for their assistance in making the conference possible: the Building Industry Association, Great Western Bank, Home Federal, the San Diego Housing Commission, and Union Bank. We also appreciate the services provided by the City of San Diego's Organization Effectiveness Program, in planning and facilitating this conference. The volunteers who coordinated the workshops and the recorders of the workshops deserve special recognition for their many hours of effort. And finally, we thank the workshop and panel presenters, and the conference participants, for generating the ideas and commitment contained in this report.

TABLE OF CONTENTS

THE CONFERENCE FRAMEWORK

Executive Summary.....	1
Introduction.....	5
San Diego's Housing Crisis.....	9

CONFERENCE RECOMMENDATIONS

Broad-Based Local Leadership.....	11
Housing Trust Fund.....	15
Community Reinvestment: Lender Strategies.....	19
Community Based Non-Profit Housing Development.....	25
Public/Private Partnerships.....	31
Government Incentives and Constraints.....	35

CONCLUSION

A More Affordable Housing Future.....	41
---------------------------------------	----

ATTACHMENTS

Conference Agenda.....	45
Conference Panelists.....	47

EXECUTIVE SUMMARY

THE AFFORDABLE HOUSING CONFERENCE

On September 29, 1989, over 250 San Diego leaders and citizens participated in a conference on *The Housing Crisis: Affordable Housing for the 1990's*. The conference was planned by a diverse range of community groups, housing industry organizations and government agencies with housing concerns, and its participants represented that same wide variety. The conference participants included developers and social service providers, government staff and business people, community leaders and private lenders, and concerned citizens.

The recommendations made through this broadly inclusive process are a critical first step in setting a San Diego housing agenda for the 1990's. The groups and organizations which planned the conference unanimously urge leaders from every sector of city life to consider the issues raised by these recommendations and join with them to take action on providing affordable housing in San Diego.

SAN DIEGO'S HOUSING CRISIS

The housing crisis directly touches tens of thousands of San Diegans - the estimated 5,000 homeless people, the tourism and service industry workers paying half of their income for rent, the young middle income families who can't afford to buy a home, and the more than 67,000 people living in substandard conditions.

In real economic terms, the housing crisis touches everyone. Affordability problems threaten San Diego's economic health by discouraging corporate expansions and relocations, and by effectively removing rent-burdened families from participating in the local economy. The search for affordable housing lengthens workers' commutes and adds to traffic congestion and pollution.

Without immediate action, San Diego's affordable housing needs are projected to grow by at least 4,500 units a year.

RECOMMENDATIONS

1. Broad-Based Local Leadership

Conference participants identified leadership and education concerning affordable housing goals as a critically important area for action. Many decision makers and members of the public have misconceptions about what affordable housing is and who needs it. Strong, negative perceptions abound and inhibit the expansion of affordable housing opportunities. San Diego has not had enough affordable housing advocates, and therefore public policy decisions are frequently made without adequately considering the impact on affordable housing.

- A committee or task force which represents all sectors of the city - government, business and the community - should be created to promote and focus attention on affordable housing goals.

- A public information and education campaign should be created to inform city and community leaders and the public about the need for affordable housing and the positive economic and community impacts of affordable housing development.

2. Housing Trust Fund

Throughout the conference, speakers from business and community backgrounds agreed that San Diego must find local revenues for affordable housing, and generally endorsed the housing trust fund concept proposed by the San Diego Housing Trust Fund Task Force. This proposal would dedicate five revenue sources to local affordable housing programs on an ongoing basis, and draw in enough other public and private funds to meet one-third of the city's housing needs. The fund of \$54 million annually would help to provide housing for homeless people, for lower income families earning less than \$29,200 (for a family of four), and for first-time homebuyers earning as much as \$36,700 (for a family of four).

- City Council should speedily approve legislation enacting the Housing Trust Fund proposal put forth by the Housing Trust Fund Task Force. That legislation should draw upon all five revenue sources, in the same proportions recommended by the Task Force.
- City Council should target a proportion of federal Community Development Block Grant funds for the production of low income and very low income housing.

3. Community Reinvestment: Lender Strategies

The Community Reinvestment Workshop discussed a variety of strategies to increase bank lending for low income and affordable housing in ways which assist banks in meeting federal reinvestment requirements under the Community Reinvestment Act (CRA). From the public perspective, combining public funds with private financing can stretch public dollars and reduce housing prices. From the private lenders' perspective, such investments can be sound loans and can also help lenders to meet their legal obligations to meet the credit needs of every sector of their communities.

- Government agencies should deposit their funds in those banks which have the best community reinvestment record.
- The availability of bank funds for reinvestment and low income housing development should be expanded, through loan pools, lender set-asides for low income housing development, and increased participation by insurance companies and secondary mortgage markets.
- Lenders should become involved in education, training and outreach for non-profit organizations on affordable housing issues, and should become more involved in structuring affordable housing projects.

4. Community-Based Non-Profit Housing Development

Throughout the conference, participants discussed the essential role of non-profit organizations in increasing the supply of affordable housing. Non-profit housing stays affordable longer, provides more cost-effective public benefit, meets less community opposition, and is more integrated into efforts to reduce poverty and redevelop communities. While few of San Diego's non-profits have past experience in housing development, a number of these organizations are very interested in joining the ranks of the non-profit developers who have produced over 125,000 affordable units nationwide. These organizations currently lack technical expertise in housing development, start-up capital and staffing, as well as access to affordable housing information.

- A local source of training and technical assistance for non-profit developers should be developed, and regional and national financing and technical resources should be drawn into San Diego.
- Initial funding for development staff in community based non-profits is badly needed, and should be considered by local and state government, private corporations, and foundations.
- City government should dedicate a portion of Community Development Block Grant funds and of the proposed Housing Trust Fund for non-profit housing development.

5. Public/Private Partnerships

A conference participant observed that "partnerships are needed because no one sector - public, private or non-profit - has all the answers or can provide all the elements needed to make affordable housing work." There are many different models for these sorts of public/private partnerships, from other California communities and within San Diego. The private sector can contribute development expertise and equity and mortgage funds.

The public sector can contribute land, low-interest loans, and land-use and fee concessions. Non-profits can bring community support and increasing development expertise in complicated affordable housing financing structures. In order to increase the role of private sector developers in these partnerships, several steps must be taken.

- More private developers should consider partnerships with non-profit organizations for development of affordable housing.
- A central clearinghouse of affordable housing resources should be established, and the information regularly updated and publicized.

6. Government Incentives and Constraints

Other California cities have developed affordable housing policies which use specific requirements, incentives, and efficient permit processing to support affordable housing. The City of San Diego currently relies primarily on the use of incentives to obtain affordable housing. Conference participants agreed that this strategy has had very limited success.

- City government should link planning to affordable housing. Citywide housing goals should be divided up and distributed across community planning areas, and the City should enforce those goals.
- City government needs to better resolve conflicts with community planning groups about affordable housing developments. The City needs to assure improved designs and necessary public services and infrastructure for affordable housing projects. Planning groups should also be encouraged and required to have a membership which fully represents their community.
- City development regulations should be simple and flexible, in order to reduce the associated costs. There should be more certainty in the development review process, including protections from regulatory changes during the review process.
- Existing development restrictions should be revised to encourage affordable housing, including consideration of small lot zoning, affordable flats in single family zones, and performance zoning.
- The City should adopt policy changes to make more land available for higher density and affordable housing. The City should also adopt an inclusionary zoning ordinance, which requires a specific percentage of all new housing to be affordable.
- Existing affordable housing should be preserved, through requiring replacement units or fees from owners demolishing affordable housing units, preserving mobile home parks and the federally subsidized projects threatened by expiring affordability requirements, and rent control and code enforcement.
- The Housing Commission should use additional creative tools in its housing programs, including long term affordability guarantees, limited equity home ownership, and leasing City land for development rather than selling it.

INTRODUCTION

This report has been drawn from the proceedings of San Diego's first conference on local strategies to produce and preserve affordable housing.

On September 29, 1989, over 250 San Diego leaders and citizens participated in a conference on *The Housing Crisis: Affordable Housing for the 1990's*. The conference was planned by a diverse range of community groups, housing industry organizations and government agencies with housing concerns, and its participants represented that same wide variety. The conference participants included developers and social service providers, government staff and business people, community leaders and private lenders, and concerned citizens. Despite differences in approach, a strong commitment to addressing affordable housing problems filled the presentations and discussions. Together and in separate workshops, these San Diegans from different walks of life listened to expert testimony, discussed the city's problems and potential, and finally put forward a diverse list of recommendations to be considered in developing a local housing strategy.

The recommendations made through this broadly inclusive process are a critical first step in setting a San Diego housing agenda for the 1990's. The groups and organizations which planned the conference unanimously urge leaders from every sector of city life to consider the issues raised by these recommendations and join with them to take action on providing affordable housing in San Diego. (A list of the planning organizations is included at the front of this report.)

AN AGENDA FOR ACTION

The recommendations of this report were generated by participants in five separate workshops. Even in these separate settings, where different avenues for achieving affordable housing were presented, several common themes emerged.

The Need for Local Resources. In order to control its housing crisis, San Diego needs local resources - particularly local government funds - to support locally-designed programs, and to match funds from other levels of government and the private sector. Many workshop participants mentioned or endorsed the Housing Trust Fund proposal, recommended by the Housing Trust Fund Task Force in September 1989, which would raise \$54 million annually for housing and address one-third of the City's affordable housing need over the next ten years.

Broad-Based Leadership. Participants repeatedly called for more leadership from every sector in supporting and explaining the critical role of affordable housing in San Diego's future. Several workshops specifically endorsed formation of an ongoing broad-based body to promote affordable housing. Such an ongoing organization could draw upon broad resources and expertise to educate community leaders and citizens about the effect of the housing crisis upon San Diego's economy, upon planning and traffic congestion, and upon residents' ability to meet basic needs as well as improve their lives. It could also promote the positive benefits of affordable housing developments and balanced communities.

Affordable, Buildable Land. There is a growing scarcity of available land for residential development with a price and a zoning status which could make affordable housing feasible. The recent trend toward rezoning for single family neighborhoods has only exacerbated this problem. The conference raised a wide variety of proposals in this area, ranging from increasing densities to allow affordable housing projects, to requiring affordable units in all developments through inclusionary zoning, to imposing government penalties for quick land turnovers which force up land prices.

Preservation of Affordable Housing. While the need for affordable housing grows, the continued availability of San Diego's existing affordable housing is threatened. There was strong support for continued preservation of such affordable housing resources as mobile homes and the federally subsidized rental projects which face expiring subsidies.

STRUCTURE OF THE CONFERENCE

The conference opened with a wide-ranging panel discussion on Perspectives on the Housing Crisis. Gloria Penner of KPBS TV moderated this exchange of views among ten housing experts from the building industry, government, activist and managed growth groups, and non-profit developers. The panel discussion, which was later broadcast on KPBS TV, displayed broad agreement on the extent of the housing crisis, and aired an intriguing array of possible solutions.

Conference participants then selected one of five topical workshops: Housing Trust Fund; Community Reinvestment; Non-Profit Housing Development; Public/Private Partnerships; and Government Incentives and Constraints. Each workshop group met twice. The morning session was informational, and focused on topic presentations by expert resource panelists concerning potential local housing strategies. The afternoon session was a lively brainstorming meeting in which panelists and participants generated ideas for an affordable housing strategy for San Diego. The minutes of these workshops are the basis of this report.

Between workshop sessions, participants heard a luncheon address by Mary Nenno, of the National Association of Housing and Redevelopment Officials. Nenno gave examples of the dramatic increase in affordable housing activity at the state and local levels, and urged conference participants to work together to attack the housing crisis. Nenno also stressed that obtaining proposed new federal housing funding will depend upon funding matches from local government revenues, such as the proposed Housing Trust Fund. The Housing Commission also presented its annual Shelter Awards to highlight outstanding activities in support of affordable housing.

The obstacles to providing more affordable housing are deeply interconnected and not easily separated. Consequently, each conference workshop generated recommendations on the workshop topic and also on a broad range of other topics. For clarity, this report groups all similar recommendations together, regardless of the workshop in which the recommendation was proposed. The various proposals calling for broad-based local leadership were made in every workshop, and have been combined in a new, separate category of the same name.

San Diego's Housing Crisis, the next section of the report after the **Introduction**, draws upon conference presentations and other sources to describe the desperate

housing situation now threatening the well-being of San Diego's residents and its economy. The next six sections discuss the exciting range of proposals raised at the conference:

- **Broad-Based Local Leadership**
- **Housing Trust Fund**
- **Community Reinvestment: Lender Strategies**
- **Non-Profit Housing Development**
- **Public/Private Partnerships**
- **Government Incentives and Constraints**

The report closes with a brief conclusion, **A More Affordable Housing Future**, and attachments describing the conference agenda and workshop panelists.

SAN DIEGO'S HOUSING CRISIS

The overriding theme of the conference, expressed by a broad diversity of participants, was that San Diego's housing problems constitute a housing crisis. This crisis directly touches the lives of families and households throughout the city, and also threatens to undermine the economic health and the quality of life of the city as a whole. Nearly every San Diegan has daily contact with people whose lives are unnecessarily limited by the lack of affordable, decent housing.

SAN DIEGANS AFFECTED BY THE HOUSING CRISIS

The City Planning Department estimates that 26,000 San Diego households (over 67,000 people) live in substandard housing conditions, and that at least 5,000 people are homeless. The problem of housing affordability also directly touches tens of thousands of San Diegans - from people on fixed incomes receiving government assistance, to people employed in minimum wage and entry level jobs, and including many people in traditionally "middle class" professions such as teachers and police officers.

Some 25% of San Diego's population, or approximately 100,000 households, earn less than half of the area's median (or typical) income, and are classified by housing planners as very low income households. A family of four earning \$18,250 annually, or more than double the minimum wage, is at the top boundary of this category. At 30% of their gross (before tax) income, this family can afford to pay \$404 in monthly rent, but a typical two bedroom apartment in central San Diego costs nearly \$670 per month. This family has to fill a monthly affordability gap of more than \$250, which reduces their ability to purchase other local products and services. Families with only one minimum wage earner, or depending upon public assistance, may face a \$500 monthly shortfall and even more desperate choices.

San Diegans earning the City's median income (\$36,700 in 1989), and with hopes of homeownership, have other affordability problems. Even if this typical household is able to spend 38% of their gross (before tax) income on housing, they can probably only afford a home loan of about \$105,000, while a median-priced house in San Diego County costs \$170,000. The [Daily Transcript](#) recently reported that less than one fifth of the households in San Diego County in 1989 could afford to purchase the median priced home.

OTHER IMPACTS OF THE HOUSING CRISIS

The housing affordability problem threatens to slow the city's economic growth. Companies and universities report difficulties in convincing new professional and technical employees to locate in San Diego, because of housing costs. Other companies are finding it difficult to hire blue collar workers who must live many miles from work in order to find affordable housing. Residents spending most of their disposable income on housing have little ability to participate in the local economy. Housing affordability problems also increase freeway traffic congestion, as employees find more affordable homes far away from job centers.

A DEEPENING HOUSING CRISIS

Finally, San Diego's already severe housing problems are expected to grow, as city employment in the low-wage service and tourism industries continues to expand. City planners predict that lower income rental housing needs will expand at a rate of 4,500 units per year, based solely upon population growth projections. An additional 7,000 existing affordable units, including mobile homes and federally-subsidized rental projects, will no longer be available and affordable unless government acts to protect them.

CONFERENCE RECOMMENDATIONS:

BROAD-BASED LOCAL LEADERSHIP

INTRODUCTION

In the opening panel discussion and in every workshop, conference participants identified leadership and education concerning affordable housing goals as a critically important area for action. Above all else, one thing is clear - **broad based community support is essential** for San Diego to mount a successful attack on the housing crisis facing the city. San Diego citizens as well as industry organizations, community groups, private and nonprofit developers, and public agencies must all play an active role to ensure that affordable housing is at the top of the City's agenda.

THE NEED FOR EDUCATION

In every conference workshop, participants discussed the lack of knowledge about the housing crisis and the negative consequences of allowing the need to go unmet. Many decision makers and members of the public have misconceptions about what affordable housing is and who needs it. Strong, negative perceptions abound and inhibit the expansion of affordable housing opportunities.

Hidden Significance of Affordable Housing

Many San Diego residents are, however, well aware of the affordable housing shortage. In a citywide survey of San Diegans published in 1989 by the San Diego Association of Governments, the "lack of affordable housing" was the most often cited major social problem. Yet many community and business leaders still do not realize the true depth of the city's housing problems, or how these problems are expected to grow. San Diegans generally are not aware of the links between providing affordable housing and meeting other community goals, such as continued economic prosperity, and the control of traffic congestion and pollution.

Concerns and Myths About Affordable Housing

Conference participants from the housing industry and from community groups talked a lot about the NIMBY (Not in My Back Yard) attitude - an attitude held by neighborhood residents who see affordable housing as a liability in their community and oppose those developments in their neighborhoods. Too many people wrongly assume that an affordable housing development will result in a poorly maintained building, strained community facilities, and a variety of related social problems.

Some of these attitudes are based on misinformation and fears about the residents of affordable housing, myths which can be exposed by public discussion and education. For instance, neighborhood residents need to know that affordable housing can assist many types of residents - working people as well as families receiving public assistance, adult children or other rent-burdened neighbors as well as new residents.

In some neighborhoods, negative attitudes towards affordable housing are based on past experience. Some low income housing developments have been poorly planned

or badly managed, and other higher density projects have been associated with increased congestion and community problems. Speedy government action should be taken when affordable housing is not properly managed, and new developments must be adequately supported by the necessary services and infrastructure. (See also the Government Incentives and Constraints section.) An education campaign coupled with well publicized government action would help break down negative public perceptions.

Affordable Housing, Density and the Growth Rate

San Diego has not had enough affordable housing advocates and this has had a harmful effect on public policy decisions in the City. Public policy decisions are frequently made without adequately considering the impact on affordable housing. Conference participants discussed the growth debate in the City and the need for both sides to call a "truce". One participant, in the morning panel discussion, noted that growth controls have not prevented the construction of affordable housing; while the City's earlier growth control measure (the Interim Development Ordinance) was in effect, no affordable housing was built despite the fact that it exempted low income housing. Public opposition to higher densities, and the recent trend toward rezoning large areas for single family homes, have also made it more difficult to develop affordable housing. (These zoning issues are addressed in the recommendations of the Government Incentives and Constraints section.)

THE NEED FOR AFFORDABLE HOUSING LEADERSHIP AND ADVOCATES

The discussion of affordable housing educational needs spurred additional discussion and consensus on the need for more leadership and housing advocacy. Many speakers mentioned some recent encouraging signs in this area:

- the formation of the Housing Trust Fund Coalition, a federation of over 40 community, religious and social service organizations committed to low and moderate income housing,
- the rededication of various industry groups to solving the housing crisis, such as the Building Industry Association, the San Diego Board of Realtors and the San Diego Apartment Association,
- the establishment of San Diegans for Affordable Housing,
- the local organizing for the October 1989 Housing Now! March in Washington D.C., and the educational campaign it led, and
- the efforts of local mobile home owners to preserve mobile home parks as part of the city's affordable housing stock.

People were encouraged by the increased support and rising tide of activity concerning housing problems. Participants also remarked on the positive, constructive participation at the conference by people from many different walks of life and from a wide range of organizations. The high level of consensus that was attained by the Housing Trust Fund Task Force and the commitment of Task Force members was also mentioned.

Conference participants widely agreed that San Diego needs many more advocates of affordable housing. Affordable housing needs local leadership and an organized constituency to inform policy makers, to recommend policy changes, and to conduct a broad educational campaign.

RECOMMENDATIONS

1. A broad based committee or task force should be created to promote and focus attention on affordable housing goals.

A committee or task force which represents all sectors of the community - government, private developers and business, non-profits, community activists, religious organizations and lenders - could provide a unique level of leadership and coordinate the efforts of the various constituencies who are concerned with increasing the supply of affordable housing.

2. A public information and education campaign should be created to inform City and community leaders and the public about the need for affordable housing, the economic impact of the affordable housing shortage, the successes of well designed developments, and the positive community benefits associated with providing an adequate supply of affordable housing.

The public's impression of "low income housing" is rather negative and people tend to assume that affordable housing inevitably means unattractive designs, very high densities, poor property maintenance, or such social problems as drugs and crime. But nearly all the impartial research studies on the subject have shown that affordable housing does not hurt property values or community life.

San Diego itself has many affordable housing success stories: well designed, attractive apartment buildings and houses which look just like the market rate units next door. Many people drive to work every day and pass subsidized housing developments and never know it. These highly successful developments blend very effectively into the surrounding neighborhoods, and the residents are not stigmatized as "low income" or perceived any differently from other neighborhood residents.

An educational campaign would help identify model projects, develop educational materials, and lead the efforts to educate the public about the positive contributions of providing affordable housing. The campaign could begin with a survey to gather additional information on public attitudes about the issue. Conference participants also recommended the creation of public education materials to explain the extent and the economic impact of San Diego's affordable housing crisis.

CONFERENCE RECOMMENDATIONS:

HOUSING TRUST FUND

RESOURCE PANELISTS

Mary Brooks, Director, Housing Trust Fund Project of the Center for Community Change.

Jeanne Ertle, Coordinator of the Peace and Justice Commission of the San Diego Catholic Diocese, and Co-chair of the San Diego Housing Trust Fund Coalition.

Linda Martin, Secretary of Save California, and Co-chair of the San Diego Housing Trust Fund Coalition.

INTRODUCTION

The Housing Trust Fund Workshop focused directly on the housing trust fund as a major potential source of new government housing funds in San Diego. The workshop opened with a presentation by panelist Mary Brooks covering trust funds in general, and summarizing the trust fund recently proposed by the San Diego Housing Trust Fund Task Force. The workshop's spirited discussion included building industry representatives, lenders, community activists and government officials, and concluded with broad support of the trust fund proposal.

Other local approaches for increasing public revenues were also raised in the conference and are included in this section. A separate section, Community Reinvestment: Lender Strategies, also lists additional conference recommendations on raising more affordable housing resources from private lenders.

WHAT ARE HOUSING TRUST FUNDS?

In the last decade, as local governments have examined their options for raising and spending local funds for housing, they have increasingly turned to the mechanism of a housing trust fund. A housing trust fund allows a government to dedicate all or part of a revenue source directly to housing programs for low and moderate income residents. Most importantly, a trust fund provides the ongoing long term commitment of funds which is essential to efficient production, in an industry where projects often take several years to put together and build.

Trust funds are usually established by an ordinance, and target low income households (earning between 50% and 80% of the median income, or between \$18,250 and \$29,200 for a family of four) and very low income households (earning less than 50% of the median income). The trust funds can be administered by a Board of Trustees, by a government agency (often with an advisory committee) or by a non-profit corporation.

Five years ago there were two or three housing trust funds across the country. Mary Brooks, head of the national Housing Trust Project, reports that there are now over

fifty such funds, drawing upon a creative variety of revenue sources. California has a state trust fund which receives \$5 to \$10 million a year from offshore oil leases. At least five California cities - Sacramento, San Francisco, Palo Alto, Santa Monica and Menlo Park - already have housing trust funds. Los Angeles is currently considering one as well.

SAN DIEGO HOUSING TRUST FUND TASK FORCE PROPOSAL

In September, 1989, the San Diego Housing Trust Fund Task Force, appointed by the Housing Commission, ended six months of research and discussion by recommending creation of a San Diego Housing Trust Fund to generate \$54 million annually for local housing development.

Sources of Funds

The Task Force recommended that the Trust Fund draw upon a combination of revenues from five sources. The sources and amounts recommended were selected because they are fair, equitable and broadly based.

One source is the **Transient Occupancy Tax, TOT**. This is an existing tax on the use of hotel-motel rooms. The proposal is not to raise the tax, but to dedicate to the trust fund two thirds of the future increases in revenue from the tax (increases over the tax revenues received in Fiscal Year 1989). The growing hotel/motel sector is directly linked to increases in demand for affordable housing, as these businesses employ large numbers of low wage workers needing low cost housing. This source will generate about \$5 million per year.

A second source of funds recommended is a **Business Gross Receipts Tax**. It is proposed that about \$17 million annually be raised from this source.

A third source is a **Commercial Development Fee**, or linkage fee. This proposed fee also has a direct link to housing demand, since new non-residential buildings help to generate increased needs for affordable housing by new, low wage workers. Developers of different building types would pay different amounts per square foot, depending upon the building type and the number of low wage workers usually employed in that building type. A total of \$12 million per year is sought from this source.

Another source of funds recommended is a **Landscape, Lighting and Park Maintenance Fee**. An assessment would be made on each parcel. The amount for each parcel would be based on a formula that would take into account fees already being paid by some owners. This source is expected to generate about \$15 million per year.

The fifth source recommended is a **Utility Users Fee**. Very low income households would be exempted from this fee. Approximately \$12 million annually is sought from this source.

Spending Trust Fund Revenues

The Task Force proposed that the San Diego Housing Trust Fund be administered by a Board of Trustees drawn from the community and appointed by City Council. The Board of Trustees would receive staff support from the San Diego Housing Commission.

The Trust Fund revenues could be used for new construction, acquisition of rental units, rehabilitation, and preservation of housing. All types of developers - for-profit, non-profit, and public - would be eligible to receive funds. The Task Force proposed the following uses for the funds:

- 10% of the funds to provide transitional housing for the homeless;
- 60% for rental housing for very low income households, as defined by the federal government (those earning less than 50% of the median area income, or less than \$18,250 per year for a family of four in 1989);
- 20% to rental housing for low income households, as defined by the federal government (those earning between 50% and 80% of the median area income, or between \$18,250 and \$29,200 for a family of four in 1989); and
- 10% for first time home buyers earning no more than the median area income (\$36,700 for a family of four in 1989).

DISCUSSION

Revenue Sources

The trust fund discussion focused a great deal on the revenue sources. Workshop participants from all sectors expressed strong support for a legislative package drawing upon all five revenue sources proposed by the Task Force. Panelist Mary Brooks observed that, while few people oppose funding of low income housing, none wants to be singled out as the only source of funds. One building industry representative summarized the discussion: "Affordable housing is a societal obligation, and the cost should be shared by everyone."

Spending Trust Fund Revenues

The flexibility of the Trust Fund allows a range of possible effective and innovative uses for housing trust fund revenues. Participants throughout the conference discussed a number of possibilities:

- preservation of existing trailer parks and government subsidized developments with expiring affordable housing restrictions;
- cooperative housing and co-housing;
- manufactured housing;
- housing with child care centers or other social services;
- housing developed by local non-profits;
- training, technical assistance, and staff support for community-based non-profit housing developers; and
- purchase of land (land banking) for affordable housing.

The Trust Fund could also fund affordable housing developments by private sector developers or by public agencies.

One government official felt that it was difficult to understand why the Trust Fund proposal dedicated the same percentage (10%) of these public funds to housing homeless people with very low incomes, and to housing middle income first time homebuyers. Community activists also expressed concern about this issue. Many agreed, however, that the Trust Fund proposal had already won broad support on the Task Force, including business and the development industry, precisely because the proposal serves a broad range of income groups. Supporters of the proposed allocation felt that such broad political support is critical to the success of the Trust Fund.

RECOMMENDATIONS

1. City Council should speedily approve legislation enacting the Housing Trust Fund proposal. That legislation should draw upon all five revenue sources, in the same proportions recommended by the Housing Trust Fund Task Force.

Throughout the Conference, speakers from business and community backgrounds generally endorsed the housing trust fund concept, echoing the diverse members of the Housing Trust Fund Task Force. The importance of fairness in collecting any new revenues for housing was also a point made strongly and repeatedly. Affordable housing is a societal obligation, and its costs should be shared by all sectors of the community in San Diego.

Other related Trust Fund recommendations included a proposal that local foundations support public education efforts about the issues of the trust fund, and a call for full media coverage of the complexities of the trust fund issue. It was recommended that the City explore additional revenue sources for the trust fund, including a fee linked to Port Authority development activities.

On other revenue sources, it was recommended that City Council target a proportion of federal Community Development Block Grant funds for the production of low income and very low income housing. The federal low income housing tax credit, which aids financing for low and very low income housing, should also be reinstated.

CONFERENCE RECOMMENDATIONS:

COMMUNITY REINVESTMENT: LENDER STRATEGIES

RESOURCE PANELISTS

Deborah Brady-Davis, Legal Counsel, Home Federal Savings and Loan.

Dan Lopez, President of the California Community Reinvestment Corporation.

Bob McNeely, Senior Vice President and Manager of Union Bank's Community Affairs Department.

Jim Wagele, Vice President, Bank of America Corporate Community Development Department.

INTRODUCTION

The Community Reinvestment Workshop discussed a variety of strategies to increase bank lending for low income and affordable housing in ways which assist banks in meeting federal requirements under the Community Reinvestment Act (CRA). The participants - lenders and community advocates, builders and government officials - agreed that private financing is an essential part of public-private partnerships for affordable housing. From the public perspective, combining public funds with private financing can stretch public dollars and reduce housing prices. For instance, the Trust Fund Task Force included private funds in its conservative projection that each trust fund dollar will be matched by at least two dollars from other sources. From the private lenders' perspective, such investments can be sound loans and can also help lenders to meet their legal obligations under the CRA.

BACKGROUND

The CRA obligates every financial institution to meet the credit needs of its community, including low and moderate income neighborhoods, while maintaining a safe and sound fiscal operation. The CRA implementing regulations provide for annual review of each institution's effort to meet all of a community's credit needs. Regulators are also required to review lending patterns whenever a bank applies for a "special action", such as opening a branch or buying another bank. A lender's failure to meet CRA obligations are grounds to deny the application. Lender deregulation has generated a flurry of acquisitions, as well as a flurry of CRA compliance challenges by community groups.

Beyond this broad federal oversight, the San Diego City/County Reinvestment Task Force monitors local lending practices and develops strategies for reinvestment in deteriorating neighborhoods. The Task Force, formed in 1977, has evolved into a model program with the City of San Diego and county government providing a link to

the federal and state regulatory bodies. It also facilitates communication between government, lenders and community groups. In response to the CRA requirements, lenders have worked with the Reinvestment Task Force and with community groups to develop a range of programs and policies to better meet the needs of the total community.

APPROACHES TO COMMUNITY REINVESTMENT

The conference workshop presenters included three private lenders, Bank of America, Union Bank, and Home Federal, and the newly-formed California Community Reinvestment Corporation.

Bank of America

Statewide, Bank of America financed \$39 million in lending to low income housing in 1988, and in excess of \$50 million in 1989. The bank lends through non-profit intermediaries, such as the Local Initiatives Support Corporation (LISC); BRIDGE, a San Francisco based non-profit organization which initiates and catalyzes affordable housing development projects; and Neighborhood Housing Services. For its CRA program, Bank of America concentrates on the 1,500 low income census tracts in the state (those tracts with a median income of no more than 80% of the median area income). The bank is more flexible in approving loans in these areas.

Union Bank

Union Bank, also presented a recently negotiated program which has emerged as an effective CRA effort. Union Bank has a Community Service Action Plan which provides \$84 million statewide over the next two years, as follows:

- rehab and construction, \$40 million
- direct home loans, \$15 million
- low income construction, \$ 4 million
- SBA business loans (MBE/WBE), \$16 million
- non-SBA business loans, \$ 9 million

Union Bank also sets aside a percentage of its income for its foundation, 1.4% in fiscal 1988 and 1.5% in fiscal 1989. Grants are made for a range of charitable purposes which include community economic development projects, such as a LISC program for non-profit development training. The bank makes a concerted effort to market and advertise its programs, and noted that program knowledge by all bank personnel is essential.

Home Federal

Home Federal, based in San Diego, has no special reinvestment program or target reinvestment areas because reinvestment is integrated into its usual mode of operation. Specific community reinvestment activities include:

- counseling on mortgage defaults through Neighborhood Home Loan Counseling Service
- active membership on City/County Reinvestment Task Force
- contributions to California Equity Fund - one million dollars last year and one million this year, which helped to support development of two downtown San Diego Single Room Occupancy (SRO) hotels
- contribution of \$25,000 to Neighborhood Housing Services Foundation
- active membership in the Savings Association Mortgage Company (SAMCO), a coalition of 46 lenders, including contributions of one million dollars per year. Recent projects include 13 two bedroom units, and the 68 unit Westgate Village apartment project in San Diego.
- loans of \$656 million in low/moderate income census tracts in 1988
- loans of \$248 million in low/moderate income tracts between January and June, 1989.

Through the corporation's National Real Estate Lender Arm and the Home Capital Corporation subsidiary, Home Federal will also:

- donate \$19,000 to Habitat for Humanity
- sponsor the Los Angeles Home Loan Counseling Service
- donate \$19,000 to the California Small Business Development Corporation for minority and women-owned business enterprises

Loan Pools for Affordable Housing

In addition to making specific reinvestment commitments, individual lenders have joined together to establish loan pools which allow them to share any risk involved in making reinvestment loans. Savings and loans have participated in a statewide loan pool through SAMCO (Savings Association Mortgage Company). Federally chartered banks can now participate in the newly formed California Community Reinvestment Corporation (CCRC), which will pledge \$100 million in long-term permanent financing to sponsors of low income housing across the state. By selling the loans to secondary market investors, CCRC's funds will continually be replenished and available for renewed lending. Cities can work with these two loan pools to structure affordable housing deals. Participants suggested that San Diego examine the efforts of such California cities as Irvine, Palo Alto and Santa Monica. West Hollywood has also structured a program which integrates housing, jobs and other services.

DISCUSSION

Workshop participants expressed support for the reinvestment initiatives presented by the panelists. A lender noted that "Lenders' reinvestment efforts are improving, but much more reinvestment lending could be done."

Workshop participants raised the issue of below-market rate loans. A community activist observed that only 19% of San Diego residents qualify for a market rate home loan. The lenders made the point that banks do not normally offer below market rate loans, and that the CRA does not require discounted interest rates. Even when a borrower can afford market rates, however, it can be difficult to obtain a loan. For instance, many lenders may fear that loans in low and moderate income areas are higher risk loans. Yet the presenting lenders agreed that loan default rates within low and moderate income target areas are no higher than in other areas.

Another participant recommended that lenders scrutinize development fees and inflated land values when making loans, and try to discourage land speculation. One lender replied that discouraging speculation is not a bank's role, and that the amount which a bank will lend for land acquisition is based largely on appraisals of market value.

Workshop participants noted that local developers seem to be unaware that SAMCO's loan pool is available for development projects in San Diego.

Concern was raised about the high rejection rates of 36% for African-American applicants in San Diego, as reported in the January 1989 Atlanta Constitution. That study of loan rejections in the fifty largest U.S. cities found that San Diego's rejection rate for blacks was second only to the St. Louis rate of 36.8%. While the white rejection rate in San Diego was unusually high at 21%, the study found that African-Americans were still nearly twice as likely as whites to be rejected (a ratio of 1.7 to 1).

RECOMMENDATIONS

1. Government agencies should deposit their funds in those banks which have the best community reinvestment records.

Local governmental agencies in all of the cities and the county should pursue a linked deposit policy, and should deposit their public funds in the banks with the best records of community reinvestment activity and of loans made in low/moderate income census tracts. To increase their potential impact, various related public agencies, such as redevelopment agencies, housing authorities, etc., should also coordinate their bank selection and leveraging activities to meet this same objective.

In order to make this process easier, SANDAG (San Diego Association of Governments) should assist in the development of local and regional performance standards for annual evaluation of lender community reinvestment performance. The evaluation process should be institutionalized, and the evaluation information should be easily understood and readily available.

2. The availability of bank funds for reinvestment and low income housing development should be expanded.

Lenders should develop and expand local loan pools through lender associations, similar to the statewide pools established by SAMCO and CCRC. Funds from such pools can be used to address local problems and establish local priorities. Lenders should also develop or expand mortgage foreclosure assistance programs which would provide both counseling and funds to lower income households.

Insurance companies, whose ample resources remain untapped, should be required to finance low income housing development and provide private mortgage insurance. Insurance companies and pension funds should assist in serving the secondary mortgage market. The secondary mortgage market should also be required to buy mortgages used to finance lower income housing.

Lenders should be required to set aside a percentage of their profits for reinvestment and low income housing development.

The state should develop tighter regulation or licensing standards for appraisers to preclude the practice of "pink lining" or undervaluing certain neighborhoods, and of setting values that exceed the actual market in other areas.

3. Lenders should become involved in education, training and outreach for non-profit organizations on affordable housing development issues.

Lenders should develop and implement training programs to build the capacity of local non-profit organizations in the areas of housing development and housing management.

Lenders should hold seminars for non-profit organizations in order to explain underwriting criteria and the process of structuring bankable projects and getting them approved.

4. Lenders should become more involved in structuring affordable housing development projects.

Lenders should be involved at the idea stage of a project and work to build partnerships between for-profit and non-profit agencies and local government. The non-profits can identify community needs and the target population they intend to serve, while the lenders can assist in putting the pieces of the puzzle together. The pieces might include publicly owned land, a below market interest rate, CDBG and trust fund dollars, and expedited processing.

CONFERENCE RECOMMENDATIONS:

COMMUNITY-BASED NON-PROFIT HOUSING DEVELOPMENT

RESOURCE PANELISTS

Denise Fairchild, Program Officer, Local Initiatives Support Corporation (LISC).

Jeffrey Hale, Special Projects Administrator, San Diego Community Foundation.

Jim Ridley, Director, San Diego Neighborhood Housing Services.

Amy Rowland, Director, North County Housing Foundation.

Barry Schultz, President, City Heights Community Development Corporation.

INTRODUCTION

Throughout the conference, participants discussed the essential role of non-profit organizations in increasing the supply of affordable housing. In communities across the United States, non-profits have successfully produced over one hundred thousand affordable units.

While few of San Diego's non-profits have past experience in housing development, a number of these organizations are very interested in the prospect and highly motivated to construct and rehabilitate affordable housing units. The Community Based Non-Profit Housing Development workshop and other speakers stressed the need for the City to take immediate action to assist non-profits develop affordable housing.

WHAT IS NON-PROFIT HOUSING DEVELOPMENT?

"Non-profit housing development is development driven by community needs", summarized one non-profit workshop participant. In non-profit housing development, any excess income ("profit") is used for charitable "non-profit" purposes, such as building more affordable housing or providing community services.

Non-profit housing can be developed by many kinds of organizations - community-based social service providers, such as the Chicano Federation, and community development corporations, such as City Heights Community Development Corporation, as well as citywide service providers and special purpose non-profit development organizations. A few non-profits have successfully developed housing projects for seniors, such as Interfaith Housing and some church-based organizations. Neighborhood Housing Services also has extensive experience in supervising rehabilitation in single family homes. A few other non-profits - North County Housing Foundation, Chicano Federation and Barrio Station - are now putting together their first housing development projects.

Non-profits build housing for a range of reasons:

- to provide residents in a community with decent affordable housing;

- to reduce and control housing costs, so that residents can improve their lives and incomes; and
- to stabilize and improve a neighborhood.

Non-profits frequently provide additional services to ensure a stable home environment for residents with special social service needs, such as the elderly or single mothers.

BENEFITS OF NON-PROFIT HOUSING DEVELOPMENT

Workshop participants listed many advantages to non-profit housing development.

Long Term Affordability

Non-profit housing developers target needy populations and are highly motivated to meet the housing needs of these families. They voluntarily produce affordable housing with long term affordability restrictions and do not require costly government monitoring procedures to ensure that affordability requirements are met. In contrast with for-profit developers, non-profits attempt to keep costs affordable indefinitely. San Diego is currently threatened with the loss of nearly 4,000 subsidized affordable units owned by for-profit corporations, because the affordability requirements are expiring and the owners want to return the units to market rents.

Cost Effectiveness

Non-profits are cost effective development partners in the long run because they are driven primarily by community needs. By investing in non-profit projects, government not only reduces the public expenses for monitoring and enforcement, it also obtains longer term affordability for the same public dollar. In addition, a non-profit developer reinvests any excess project funds in further meeting community needs. In these ways, non-profit development can help to get the most public benefit from limited government funds.

Difficult, Badly Needed Housing Projects

Non-profits will often take on projects which the community needs, but which are too unprofitable or risky for a for-profit developer. These may be projects which serve people with special needs, such as runaway teenagers, or projects with unusually difficult site or zoning problems. These difficult projects can also include sites in neighborhoods with stable or declining real estate values, as well as very small buildings. With respect to meeting lower income housing needs, non-profit developers are more highly motivated than for-profits to turn an unprofitable, high risk development project into a feasible proposition.

Breaking the Cycle of Poverty

Because a non-profit builds housing for the benefit of the residents, a nonprofit is much more likely to assist in the personal development of the residents. Non-profits use housing to help break the cycle of poverty by tying residency to job training and various other services, and by involving residents in making decisions concerning their apartment building and their community.

Close Contact with the Community

Non-profits with a community base have additional special strengths as developers of affordable housing. Community organizations understand community needs and are trusted by their communities, and are thus well equipped to deal with NIMBY (Not In My Back Yard) attitudes. Community based non-profits solicit and facilitate the participation of the community in the design and location of affordable housing. They therefore typically encounter much less community resistance to their development projects than for-profits. A community based organization can also effectively coordinate the repair or development of a single site with advocacy for other community improvements, and make a housing development one part of a comprehensive community improvement strategy.

ROLES FOR NON-PROFIT DEVELOPERS

Community based non-profits can play a wide range of roles in encouraging and facilitating the production of affordable housing. They can serve as the sole developer, guiding the efforts of the architect, the contractor and the other members of the development team; obtaining public and private financing; and ultimately owning the project. They can also form partnerships with private developers or with more experienced non-profit developers.

SUPPORTING NON-PROFIT HOUSING DEVELOPMENT

Panel presenters noted that, in communities across the country, community-based non-profit developers have demonstrated a high level of technical skill in affordable housing production. Community based non-profits have produced over 125,000 units nationwide. To gain the benefit of the unique strengths associated with non-profit developers, the City must address the technical needs of non-profits to help them become established as credible, experienced developers.

The Needs of Non-Profit Developers

Representatives from non-profits and lenders attending the workshop agreed that most San Diego non-profits lack expertise in the highly technical business of assembling affordable housing projects. The organizations often lack finances - the start up funding necessary to support a staff housing developer, and the capital necessary to support the early costs of assessing project feasibility. Non-profits also lack access - to contacts and to up-to-date information on affordable housing programs and financing.

The Challenges Facing Non-Profit Developers

In order to become successful developers and meet their other organizational goals, non-profit organizations must also make decisions in four basic areas: the type of project, the role of the non-profit, the development of community support, and government or institutional assistance. First, board members and staff must be sure that a proposed project fits within the organizational mission. Second, the non-profit must identify the appropriate role for the organization - should they be the sole developer? should they manage the project themselves? Often, the non-profit must

consider changes to its basic structure; for example, a social service organization may need to add board members with real estate or development skills, or it may need to change its bylaws, or form a subsidiary corporation. Third, the nonprofit must work to insure acceptance of the project in the community. Fourth, the non-profit must enlist the assistance of other institutions and government officials.

RECOMMENDATIONS

1. A local source of training and technical assistance for non-profit developers should be developed.

San Diego does not currently have a source for development assistance for community-based non-profits. Conference participants suggested several ways to fill this gap. Some suggested that the Local Initiatives Support Corporation (LISC) should open an office in San Diego. (Note. Since the conference was held, LISC has expressed its intention to do so.) LISC is a national non-profit development support organization initiated by the Ford Foundation, and its Los Angeles office has played an extensive role in funding and training non-profit organizations there in developing affordable housing. HAUS Inc. (Housing and Urban Systems), a citywide non-profit now being formed under the leadership of the San Diego Community Foundation, was also mentioned as an additional source of support. HAUS Inc. expects to provide a range of development services, including training, technical assistance, and joint venture partnerships.

Participants in the lender workshop suggested that lenders should provide training on underwriting criteria, assembling bankable projects, and housing development and management. And, on a more informal basis, experienced non-profits suggested that community based non-profits should ask for help from their own Board members with real estate experience, and should consult local private sector developers.

A resource guide or data base which briefly outlines the available financing programs should also be created, and training materials on the development process should be assembled or created.

2. The services of regional and national sources of non-profit financing, training, and technical assistance should be publicized and made available to non-profits in San Diego.

San Diego's new non-profit developers do not have to reinvent the wheel. The past decade has produced a sophisticated national network for the support of non-profit development. Through organizations such as the Center for Community Change and LISC, local nonprofits can access training programs and a broad range of financial resources, as well as the accumulated development experience of non-profits across the country. Organizations in San Francisco and Los Angeles, such as the Los Angeles Community Design Center, also offer valuable models and support.

3. Community-based non-profits should form a local organization to support non-profit development of affordable housing.

Like other professionals, the emerging sector of non-profit developers in the city needs a network for communication, mutual assistance, and joint action. Currently, a non-profit interested in housing development can't easily find the other organizations

with interest or experience in this area. Non-profit developers have no way to share information on contractors and vendors, or to develop bulk-buying plans and other mutual assistance mechanisms. Such a network could be part of a local organization such as the Housing Trust Fund Coalition, and could also be part of broader organizations, such as the California Community Economic Development Association (CCEDA) or the Southern California Association of Non-Profit Housing Developers. Non-profits were also encouraged to utilize computer networks of housing information, such as HANDSNET.

4. Initial funding for development staff in community based non-profits is badly needed. Possible sources include local and state government, private corporations, and foundations and charities.

Funders and community groups agreed that community based non-profits already face challenging problems with very limited resources. In order to add a new challenge - the development of affordable housing - these organizations will initially need additional funding. Organizations can then devote the necessary staff time to shepherding a project through the difficult, time-consuming development process. Over time, development and management fees from these housing developments can reduce the group's dependence on outside funding.

5. City government should dedicate a portion of the proposed Housing Trust Fund and other locally-controlled housing dollars for developments by community based and other non-profit organizations.

In order to expand non-profit community based development of affordable housing, San Diego must also expand non-profits' access to funds. Specifically, the city can express its commitment to local community non-profit developers by budgeting funds specifically for non-profit housing development. Possible sources include the proposed Housing Trust Fund, federal Community Development Block Grant funds, and any other local housing funds.

CONFERENCE RECOMMENDATIONS:

PUBLIC/PRIVATE PARTNERSHIPS

RESOURCE PANELISTS

Helen Dunlap, Chief Executive Officer, California Housing Partnership Corporation (CHPC).

Ben Golvin, Senior Manager, BRIDGE.

Klaus Mendenhall, Chief Executive Officer, Housing Opportunities Inc.

INTRODUCTION

Even in the best of circumstances, preserving and developing affordable housing is a challenging and difficult task. A participant observed that "partnerships are needed because no one sector - public, private or non-profit - has all the answers or can provide all the elements needed to make affordable housing work." Clearly, cooperative development efforts among the sectors are essential. The workshop moderator commented that the diverse constituencies of the workshop participants - private development firms, lenders, government agencies, and non-profits - constituted a partnership all by itself.

MODELS FOR PUBLIC/PRIVATE PARTNERSHIPS

There are many different models for these sorts of partnerships, from other California communities and within San Diego.

Bay Area

One example was offered by Ben Golvin of BRIDGE, a Bay Area non-profit developer and one of the largest non-profit developers in the country. In the Livermore project, BRIDGE combined a donation of land from a private developer, with its own ability as a non-profit to successfully negotiate with public officials for higher density. BRIDGE then leased the land to a private developer to build and operate housing for seniors, using its lease to require affordable rents.

Orange County

Similarly, Helen Dunlap discussed a project in Orange County involving a county-owned site which had previously been considered undesirable for residential development. The land was rezoned to accommodate a high-quality residential development with 20% of the units restricted to affordable rents for at least 30 years. Tax-exempt financing/tax credits were also used in financing the housing. The public and private partners shared the profits from the project, and a portion of the profits was also used to capitalize a new non-profit developer in the county.

San Diego County

Klaus Mendenhall discussed several San Diego partnership projects which were developed by Housing Opportunities Inc., a housing development non-profit serving San Diego County. Olivewood Gardens, a 61 unit affordable apartment project for seniors, was built on land leased from the City, financed with equity contributions from financial institutions and other private corporations as well as publicly issued tax exempt bonds, and developed with extensive volunteer effort from the building industry professionals on the non-profit's board of directors.

Another Housing Opportunities project, scheduled to break ground in fall 1989, is a 195-room, low-rent Single Room Occupancy (SRO) development in downtown San Diego. The project will be built on land leased from the San Diego Housing Commission, and funded through private equity funding via federal tax credits, as well as a Housing Commission deferred payment loan. Again, this project drew upon public land, below market rate financing, and the effort and growing expertise of a non-profit.

OBSTACLES TO PUBLIC/PRIVATE PARTNERSHIPS

Workshop participants identified many obstacles which stand in the way of effective public-private partnership development of affordable housing. Many of these problems affect affordable housing development of any sort - the lack of a constituency for affordable housing, problems with acquiring suitable land, the difficulties in producing affordable housing at very low densities, price effects of lower density zoning, and the expensive time delays in obtaining development approvals. These obstacles, and recommendations to address them, are included in other sections of this report.

Clearly, like other partners, all the partners in an affordable housing partnership must be aware of and respect the needs and motivations of the other partners. Realistic expectations, a cooperative spirit, patience and tenacity are the keys to success.

Other obstacles are more closely related to the role of the private sector in development, and are addressed in the following recommendations.

RECOMMENDATIONS

1. More private developers should consider partnerships with non-profit organizations for development of affordable housing.

Some conference participants noted that private developers may face negative public perceptions concerning affordable housing. There are problems of trust, and a perception that the profits generated by developing a project are necessarily made at the expense of other people. A partnership with a non-profit can help overcome this public resistance, and can help win approval for projects which benefit the public as well as produce a profit. Proactive contact with neighborhood grassroots organizations early in the development process would also help build trust and credibility for development projects.

2. A central clearinghouse of affordable housing resources should be established, and the information regularly updated and publicized.

Partnerships for affordable housing require sophisticated and up-to-date knowledge

of the available resources, particularly government programs, potential sources for private loans at favorable terms, and creative financing mechanisms. A central and well publicized clearinghouse for this information in San Diego would ease the creation of these partnerships.

3. The public sector should examine creative programs to make home-ownership affordable to low and moderate income households.

One proposal favoring publicly assisted homeownership programs suggested that the Housing Commission consider purchasing individual condominium units throughout the city, either for rental to very low or low income households or for purchase by low or moderate income households. The public sector could also help mobile home owners buy into their mobile home parks, through guidelines, incentives and financing. Drawing on models from other communities, the public sector could also assist in the formation of limited equity homeowner cooperatives, where units are not allowed to be sold at fully appreciated prices.

CONFERENCE RECOMMENDATIONS:

GOVERNMENT INCENTIVES AND CONSTRAINTS

Lance Burris, President of PIA-San Diego, Inc.; Director, San Diego Building Industry Association.

Maya Dunne, Principal Planner of Housing Services for the Community Development Department of the City of Irvine.

Gary Hanes, Joint Venture for Affordable Housing, Region IX, U.S. Department of Housing and Urban Development.

Judy Lenthall, Senior Planner, City of San Diego Planning Department.

Betsy Morris, Assistant Executive Director, San Diego Housing Commission.

Andrew Schiffrin, Member, Santa Cruz Planning Commission.

INTRODUCTION

The Government Incentives and Constraints workshop discussed innovative local government policies which could be implemented to support the production and preservation of affordable housing. Local government policy was a popular topic throughout the conference, and the discussions generated many creative proposals for changes. Many conference participants also observed that regulatory changes are important but not sufficient. One developer put those government policy changes in perspective, when he noted that developing affordable subsidized housing in San Diego will require three elements: supportive public attitudes, an organizational structure and housing production system, and public and private resources.

Clearly, by adopting new policies and remedying old problems, San Diego can create a more positive environment and a more efficient production system for affordable housing.

DISCUSSION

Panelists from several California cities presented their local affordable housing policies which use specific requirements, incentives, and efficient permit processing to support affordable housing. The City of San Diego currently relies on the use of incentives to obtain affordable housing. Participants agreed that this strategy has had very limited success.

Workshop participants discussed the links between public attitudes and local government policy. Public support, or the lack of public opposition, often determines whether or not a governing body will approve affordable housing programs and projects. Community planning groups are very vocal in the development process and were often mentioned at the conference.

Workshop participants expressed frustration with the political clout of these community groups, which has often resulted in community plans that make less land available for multi-family and affordable housing. There was general agreement that increased public support requires two strategies:

- citizens need to be made more aware of the extent of affordable housing need and affordable housing developments with positive impacts, and
- private and public providers of housing should clearly demonstrate their ability to produce housing that is sensitively designed, well maintained and beneficial to the neighborhood of which it is a part.

Recommendations for government action focus on three general themes:

- linking planning to affordable housing,
- resolving conflicts with community planning groups, and
- creating development incentives and requirements.

LINKING PLANNING TO AFFORDABLE HOUSING

1. City Council members should annually review and respond to the successes and failures of the City in meeting the housing production goals of its annual housing plan. Citywide housing goals should be divided up and distributed across community planning areas, and the City should enforce those goals.

Each year, the City's Planning Department completes an annual review of the City's General Plan Housing Element - a statement of citywide housing needs and housing goals. The staff report is not currently linked to a formal discussion by elected officials and there is no formal enforcement procedure. In addition, the citywide housing goals are never translated to the community plan level, even though housing project reviews are conducted at the community level. The gap between planning and implementation has allowed affordable housing to be quietly sacrificed to other planning goals and political pressures.

The citywide housing goals should be divided among communities, using the "fair share" concept, and their implementation should be enforced. In order to do this, it is essential that decision-makers take a strong leadership role to solve the affordable housing problem. City Council members must make an overriding commitment to affordable housing, and affordable housing advocates must support that commitment by increasing the constituency for affordable housing.

RESOLVING CONFLICTS WITH COMMUNITY PLANNING GROUPS

2. The City needs to assure improved designs and necessary public services and infrastructure for affordable housing projects. An education program should also be initiated to change public perception of the appearance of high density and subsidized housing.

There is a need for both action and education. The public and private sectors must demonstrate that affordable housing projects will be compatible with established neighborhoods. Architects, developers and City staff need to build faith in the com-

munity by creating innovative, neighborhood-sensitive designs and enforcing implementation. In addition, the City should demonstrate that higher density developments do not disrupt public services by providing the needed services prior to occupancy of a new development.

Citizens must be educated on the positive value of affordable housing, as well as challenged to help the City meet its social obligations. City planners should be attentive to housing goals, be proactive in the development process, and be available to provide guidance to planning groups.

3. Planning groups should be encouraged and required to have a membership which fully represents their community.

Various approaches could help to produce more representative planning groups:

- the City Council should require planning groups to have a certain percentage of renters;
- the planning groups should have outreach programs to attract a broader constituency; and
- the Planning Department should involve each planning group in designating some portion of its community for affordable housing in accordance with the Housing Element and as part of the community planning process.

DEVELOPMENT INCENTIVES AND REQUIREMENTS

4. City regulations should be simple and flexible, in order to reduce the costs associated with processing time, impact fees, inappropriate building codes, parking requirements and redesigns.

Current permit processing procedures should be streamlined for all projects, and pre-application conferences should be provided to identify issues early in the planning process. The Planning Department should create a position to monitor and expedite all affordable housing projects through the development review process.

5. There should be more certainty in the development review process.

Development agreements and permit restrictions for smaller projects should be used to add certainty to the development process, reducing the developer's risk and lowering the need for high housing profits and consumer costs. Pipeline projects which have reached a specified stage in the review process should be protected ("grandfathered") from the impact of regulatory changes.

6. Existing development restrictions should be revised to create an environment favorable to the production and maintenance of affordable housing.

Conference participants proposed the following land use, impact fee and building code reforms to facilitate the development of affordable housing:

- legitimize non-traditional types of housing, such as shared living arrangements;
- permit small lot zoning for affordable housing;

- permit affordable flats in single family zones;
- consider performance zoning, so that quality standards rather than unit density standards are used to evaluate the desirability of a project;
- reduce building code requirements which unnecessarily increase costs;
- reduce parking requirement for low income housing; and
- defer permit/utility/impact fees until escrow closes.

The City should consider waiving selected fees for affordable housing projects. In general, all of these revised rules should be linked to affordable housing developments, to insure that the revisions actually increase the amount of affordable housing.

7. The City should adopt basic policy changes to make more land available for high density and affordable housing.

Increased densities should be permitted in portions of existing residential areas. A greater proportion of land should also be designated for residential use rather than commercial use citywide. More units could be built if residential development was permitted on upper stories above ground floor commercial uses, and if undeveloped land zoned for residential use were required to meet certain design criteria without specifying a density range. More units could also be built if less land were required for streets. The Engineering and Development Department should re-evaluate the requirements for adequate street widths.

The City should also take steps to control escalating land costs:

- seek a change in state law to raise taxes on land and lower taxes on improvements; and
- reduce land speculation by assessing fees on land sales which occur after only a brief holding period, and by increasing the turn-over costs of real estate transactions.

The City and the Housing Commission should also expand efforts to purchase land now for future housing development ("land banking").

8. The City should adopt an inclusionary zoning ordinance, which requires a specific percentage of all new housing to be affordable.

San Diego could learn from the inclusionary zoning programs adopted by other communities, such as the city of Irvine and Santa Cruz County, which require a specific percentage of the units developed in a residential project to be affordable to lower income households.

9. The Housing Commission should use additional creative tools in its affordable housing programs.

The Housing Commission could devise more innovative strategies such as seeking to lease city land, where available, for housing development, or purchasing condominiums throughout the City and renting them as affordable housing. The Housing Commission should take special care to guarantee the longest possible affordability to

all units developed with public funds by both private and non-profit developers.

10. Existing affordable units should be preserved and rehabilitated.

The preservation of affordable housing, whether it is apartments, granny flats or mobile homes, is essential because it costs much less than new construction and results in a physical neighborhood improvement. Preservation is particularly important in neighborhoods seeking to preserve their architectural heritage and social stability. To assist in financing and achieving neighborhood fit, historic preservation tax credits and design guidelines should be used where applicable. Proper maintenance of low income units should be ensured through strong code enforcement programs. Mortgage financing packages for home acquisition and rehabilitation should be more available.

11. The City should take immediate action to stop the loss of existing affordable units.

The City should require replacement units or fees whenever units are demolished or otherwise removed from the available affordable housing stock. Rent control is an option for assuring that housing costs remain affordable, and mobile homes should be recognized as an important and threatened form of affordable housing.

12. More home ownership opportunities should be provided for low income people.

The City should provide information and incentives to assist mobile home tenants' purchase of their mobile home parks, and to assist other tenants in purchasing their buildings from their landlords. It should seek to use revenue from the housing trust fund for this purpose. The City should also encourage the creation of limited equity homeowner cooperatives, where units cannot be sold at fully appreciated prices.

A MORE AFFORDABLE HOUSING FUTURE

The 1989 Affordable Housing Conference is an exciting beginning for San Diegans interested in expanding affordable housing opportunities. The attendance at the Affordable Housing Conference exceeded the highest hopes of the Planning Committee. Although the recommendations contained in this report were not formally adopted by all participants, the diversity of individuals and groups participating in the conference discussions offers very clear evidence of the deep concern that exists in our community.

However, despite the broad participation of many sectors of our community, it is important to remember that San Diego will need a substantial measure of outside support to meet its affordable housing needs. Although it is essential to harness local initiative and dedicate local resources to the problem, the City simply does not have sufficient resources to solve the housing crisis alone. In the last analysis, increased financial support from the state and federal governments will be critically important to the ultimate success of the City's efforts.

Like any one day event, the conference and the conference report leave many issues to research and consider, and many issues unexplored or unsettled. It is the task of those groups and individuals who are interested in implementing the ideas and recommendations generated at the conference to raise these issues and continue the educational effort which the conference has begun.

The message of the conference is clear - San Diegans cannot wait for someone else to bail us out of the problems brought on by the city's pressing affordable housing crisis. It will take courageous political leadership and significant local commitment to solve the city's housing problems. The diverse constituencies which planned the conference are committed to turn the many elements of the Affordable Housing Conference into a broad based effort to make San Diego a place where all San Diegans can afford to live and work.

ATTACHMENTS

THE HOUSING CRISIS: AFFORDABLE HOUSING FOR THE 1990's

Schedule

8:00-8:30 a.m. (Main Corridor) Registration

8:30-9:00 a.m. (General Session)

Welcome :	H. Wes Pratt, Chairman, San Diego Housing Commission
Introduction of the Day:	Evan E. Becker, Executive Director, San Diego Housing Commission

9:00-10:30 a.m. (General Session)

Panel Discussion:	Perspectives On The Housing Crisis
Moderator:	Gloria Penner, KPBS

10:45-12:15 p.m. (Breakout Sessions)

Phase I Workshops:	Creative Housing Strategies
--------------------	-----------------------------

12:15-12:45 p.m. Poolside Break

12:45-2:00 p.m. (General Session) Luncheon Program.

Introduction Of Guest Speaker:	Bob Filner, Co-chair City-County Reinvestment Task Force
Guest Speaker:	Mary Nenno, National Association Of Housing and Redevelopment Officials.
Presentation of Shelter Awards:	H. Wes Pratt

2:15-4:00 p.m. (Breakout Sessions)

Phase II Workshops:	Agenda for the Future
---------------------	-----------------------

4:15-4:45 p.m. (General Session) Conference Workshop Reports

4:45-5:00 p.m. Closing Remarks:	H. Wes Pratt
---------------------------------	--------------

PERSPECTIVES ON THE HOUSING CRISIS

9:00-10:30 A M

PANEL MODERATED BY GLORIA PENNER, KPBS

PANEL PARTICIPANTS

Barbara C. Barsky

Barbara C. Barsky is a member of the Board of Directors of the San Diego Apartment Association and chair of the San Diego Apartment Association Task Force on Affordable Housing. Barsky holds a J.D. degree and Master of Laws in taxation from the University of San Diego; she practices in the area of real estate law and taxation.

Mary Brooks

Mary Brooks has worked as a low-income housing advocate for twenty years. The majority of her work has involved applied research on housing, land use and zoning, community development, and civil rights issues for non-profit organizations and government agencies. Currently, she directs the Housing Trust Fund Project for the Center for Community Change.

Julie Dillon

Julie Dillon is President of Dillon Development, a local land development company formed in 1979. Currently, she serves as First Vice President of the Building Industry Association of San Diego County. Dillon graduated with honors from San Diego State University in Business Administration and Real Estate.

Maya Dunne

Maya Dunne is Principal Planner of Housing Services for the Community Development Department of the City of Irvine, California. Maya Dunne has worked with several regional governments, including SANDAG. She holds a Bachelor of Arts degree in Environmental Planning and Management from University of California-Davis and a Master of Urban Planning from UCLA.

Jeanne Ertle

Jeanne Ertle has held leadership positions in numerous local and national advocacy organizations, focusing on housing, hunger, labor, and military spending. She has served as Executive Director of the Peace and Justice Commission of the San Diego Catholic Diocese since January, 1988 and also serves as a Co-chair of the San Diego Housing Trust Fund Coalition.

Denise Fairchild, PH.D.

Denise Fairchild works for LISC as a Program Officer. She has been an urban planner for twenty years, with substantive experience in policy, systems, and project planning and management. Denise Fairchild received her Bachelor of Arts degree from Fisk University in Sociology, her Master of City Planning degree from the University of Pennsylvania, and her Doctor of Philosophy degree from UCLA.

Benjamin Golvin

As a Senior Project Manager for BRIDGE, Ben Golvin has managed the development of more than 450 units valued at \$42 million. Through both new construction and renovation, these projects have provided affordable apartments to families and seniors, and homeownership opportunities to first-time buyers. Ben Golvin earned his Bachelor of Arts degree in American Studies from the University of California at Santa Cruz and his Master of City and Regional Planning degree from the University of California at Berkeley.

Daniel B. Lopez

Dan Lopez is President of the California Community Reinvestment Corporation (CCRC), a lending consortium of 46 California banks which provides long-term financing to low income housing developments throughout the State. Prior to joining CCRC, Dan Lopez served as Chief of Housing for the Association of Bay Area Governments and then as the head of Citicorp's Community Lending Program in California. He earned his Bachelor of Arts in Economics and his Master's degree in City Planning.

Linda B. Martin

Linda Martin is a full-time volunteer community organizer. In 1988, she co-chaired Citizens for Limited Growth; currently, she serves as Co-chair of the Housing Trust Fund Coalition, Secretary of Save California; and Chair of Grassroots, San Diego. Linda Martin earned her Master degree in Public Health Planning and Administration.

Betsy Morris

Betsy Morris is Assistant Executive Director of the San Diego Housing Commission; she has held several positions at the Commission since its inception in 1979. She earned her Bachelor of Arts degree at UCLA.

HOUSING TRUST FUND

FACILITATOR: JOHN IZZO

RESOURCE PANELISTS:

Mary Brooks

Directs the Housing Trust Fund Project for the Center for Community Change and manages a computer network of nonprofit community development organizations which provides participating groups with a system for exchanging information and ideas on key community development issues.

Jeanne Ertle

Executive Director of Peace and Justice Commission of the San Diego Catholic Diocese; Co-chair of the San Diego Housing Trust Fund Coalition.

Linda Martin

Secretary of Save California and Co-chair of the San Diego Housing Trust Fund Coalition.

RESOURCE ORGANIZATIONS:

HOUSING TRUST FUND COALITION is concerned that all of the children in our city will not be without a place in which to live when they reach maturity. The group is comprised of almost forty San Diego organizations committed to the establishment of a permanent Housing Trust Fund that is broad based, equitable and dedicated to meeting the long-term housing needs of the city.
(619) 231 2828

HOUSING TRUST FUND PROJECT compiles accurate information about the development of Housing Trust Funds throughout the country and promotes the involvement of neighborhood organizations in the creation and implementation of these Funds to ensure that Funds benefit those most in need of housing.
(619) 833 4249

PEACE AND JUSTICE COMMISSION was established in the Catholic Diocese of San Diego to promote the ministry of social justice. Through workshops, presentations and its newsletter, the Commission seeks to education the Catholic community about the housing crisis and to involve it is seeking solutions. (619) 231 2828

SAVE CALIFORNIA is a non-profit, public benefit, tax exempt corporation. The organization's purpose is to network citizens and organizations that are committed to education, communication and political action at local, regional and state levels regarding growth management and environmental quality.
(619) 270 3407

COMMUNITY REINVESTMENT:

LENDER STRATEGIES

FACILITATOR: JOHN GAVARES

RESOURCE PANELISTS:

Dan Lopez

President of the California Community Reinvestment Corporation (CCRC). Prior to joining CCRC, Dan served as Chief of Housing for the Association of Bay Areas Governments and then as the head of Citicorp's Community Lending Program in California.

Deborah Brady-Davis

Legal Counsel for Home Federal Savings and Loan. Member of the Reinvestment Task Force. President of the Savings Associations Home Loan Counseling Service. Recently elected Chair of the San Diego Urban League Board of Directors.

Bob McNeely

Senior Vice President and manager of Union Bank's community affairs department. Coordinates Union Bank's community outreach efforts; serves as a principal contact point for community representatives.

Jim Wagele

Vice President at Bank of America-Corporate Community Development Department. Oversees community reinvestment programs for Bank of America. Author of new, comprehensive low-income housing/small business lending program for Bank of America.

RESOURCE ORGANIZATIONS

CALIFORNIA COMMUNITY REINVESTMENT CORPORATION (CCRC) is a newly formed consortium of more than 40 California banks which will pledge \$100 million in long-term permanent financing to sponsors of affordable housing developments throughout the State of California. By selling the loans to secondary market investors, CCRC's funds will continually be replenished and available for lending. All CCRC members will participate in the funding of each loan, based upon their pro-rata portion of the loan pool, determined by asset size. (415) 863 7800

SAN DIEGO CITY-COUNTY REINVESTMENT TASK FORCE monitors lender policies and practices to develop strategies for reinvestment in deteriorating neighborhoods. (619) 694 4808

COMMUNITY-BASED NONPROFIT HOUSING DEVELOPMENT

FACILITATOR: KEREN STASHOWER

RESOURCE PANELISTS:

Denise Fairchild

Program Officer with LISC, urban planner with national and international experience; expertise in substantive areas of housing development, environmental policy, and community (re)development.

Jeffrey Hale

Special Projects Administrator for the San Diego Community Foundation. Responsible for the Foundation's Neighborhood Grants Program, which helps resident organizations address problems such as housing rehabilitation, crime, litter, and commercial revitalization. Hale earned his Master of Applied Sociology degree at San Diego State University.

Jim Ridley

Director of San Diego Neighborhood Housing Services, Inc., a private non-profit partnership of residents, lenders, and the public sector whose goal is to revitalize City Heights through housing rehabilitation services, promotion and delivery of new reinvestment strategies and focused capital improvements.

Amy Rowland

Director of the North County Housing Foundation. Rowland earned her undergraduate degree in architecture and urban design from the University of Utah. She earned a Master of Urban Planning from UCLA Graduate School of Architecture and Urban Planning, with an emphasis in housing development.

Barry Schultz

President of City Heights Community Development Corporation. Associate with Sullivan Cummins Wertz McDade & Wallace, in general litigation with emphasis on real estate, land use and governmental relations. Schultz earned his Bachelor of Arts degree in Sociology/Public Administration; his Juris Doctorate at Western State University College of Law.

RESOURCE ORGANIZATIONS

CITY HEIGHTS COMMUNITY DEVELOPMENT CORPORATION participates in a joint effort of the City and County government and representatives from lending institutions to spearhead revitalization of the City Heights neighborhood. (619) 584 1535

LISC, the Local Initiatives Support Corporation, is a national, nonprofit lending and grant-making institution founded in 1979 to attract private-sector financial and technical resources for the rejuvenation of deteriorated communities and neighborhoods. With donor commitments and investments of over \$200 million, LISC is the largest private, nonprofit community development organization in the nation. LISC's loans and grants are made with the expectation that community development corporations (CDC's) will improve local physical and economic conditions while strengthening their own management capabilities and increasing their assets and income. LISC support has leveraged over \$1 billion for community development. (213) 624 2995

NORTH COUNTY HOUSING FOUNDATION is a new, non-profit public benefit corporation formed under the guidance and with the support of the North County Interfaith Council to address the unmet housing needs of local low and moderate income households. (619) 432 6878

SAN DIEGO NEIGHBORHOOD HOUSING SERVICES (SDNHS) is a non-profit locally based organization working in City Heights to promote neighborhood revitalization. (619) 282 1559

PUBLIC/PRIVATE PARTNERSHIPS

FACILITATOR: TRUDY SOPP

RESOURCE PANELISTS:

Helen Dunlap

Chief Executive Officer of the California Housing Partnership Corporation (CHPC).

Ben Golvin

In Santa Cruz, Golvin helped found a community group which engaged in advocacy concerning housing policy issues; he relocated to Seattle and joined a non-profit organization responsible for the preservation and revitalization of the city's international district. Golvin joined BRIDGE Housing in 1983 while completing his graduate degree.

Klaus Mendenhal

Chief Executive Officer of Housing Opportunities, Inc. (HOI).

RESOURCE ORGANIZATIONS:

BRIDGE was established in 1983 to respond to the acute housing affordability problem in the San Francisco Bay area by producing large volumes of high quality housing. BRIDGE was chartered as a 501(3)(c), tax-exempt non-profit, public-benefit corporation; BRIDGE has since participated in the production of over 3,500 units valued at over \$300 million. (415) 989 1111

CHPC, California Housing Partnership Corporation, is a statewide non-profit corporation created by the California Legislature to work in partnership with all levels of government, non-profit agencies, the business community and owners of rental housing to help preserve affordable housing in California. (415) 956 2454

HOI, Housing Opportunities, Inc., is a non-profit, mutual benefit California corporation chartered to hold title to real estate and arrange financing so that moderate-priced housing can be delivered for below median-income families. HOI serves as a financing intermediary for public agencies to create housing and serves as a development partner with either public or private sector development interests. (619) 291 3500

GOVERNMENT INCENTIVES AND CONSTRAINTS

FACILITATOR: PEGGY HANLEY

RESOURCE PANELISTS:

Maya Dunne

Principal Planner of Housing Services for the Community Development Department of the City of Irvine. Dunne has worked with several regional governments, including SANDAG and the Sacramento Council of Governments.

Lance Burris

President of PIA-San Diego, Inc., a development firm which currently is planning Black Mountain Ranch. Burris previously was Principal Project Manager for the Chevron Land and Development Company.

Gary Hanes

Manages the Joint Venture for Affordable Housing activities of HUD's field offices throughout Region IX. Works with local and state officials to encourage relaxation of excessive regulations that unnecessarily increase the cost of housing.

Judy Lenthall

Senior Planner with the City of San Diego Planning Department. Responsible for the City's award-winning SRO program. Has worked in housing policy planning in Hawaii, Australia, the Caribbean and China.

Betsy Morris

Assistant Executive Director of the San Diego Housing Commission.

Andrew Schiffrin

Former Director, Housing Development Department, Boston Model Cities Administration; Member, Santa Cruz City Planning Commission (7 years).

RESOURCE ORGANIZATIONS:

CITY OF IRVINE, CALIFORNIA established an inclusionary zoning program which is incorporated into the City's Housing Element. The program requires 12.5% of new residential units in an Irvine Village or planning area to be set aside for very low income households. (714) 724 6380

CITY OF SAN DIEGO HOUSING COMMISSION was created in 1979 to sponsor and facilitate the development of affordable housing for lower income households in the City. (619) 231 9400

CITY OF SAN DIEGO PLANNING DEPARTMENT has responsibility for preparation and updating of the City's General Plan, including its Housing Element. (619) 236 6460

COUNTY OF SANTA CRUZ, CALIFORNIA voters enacted a comprehensive growth management initiative in 1978 which includes affordable housing provisions.

JOINT VENTURE FOR AFFORDABLE HOUSING was established in 1985 by HUD and the National Association of Homebuilders to promote housing deregulation as a means to building affordable housing. The program includes demonstration projects, information dissemination, and building local support for regulatory reform. HUD provides technical assistance for cost saving planning and building techniques and publishes case studies. (415) 556 0796

U.C. BERKELEY LIBRARIES



C124909906

